Distr.
GENERAL

IDB.12/6
18 March 1994

ORIGINAL: ENGLISH

United Nations Industrial Development Organization

Industrial Development Board

Twelfth session
Vienna, 9-13 May 1994
Item 6 of the provisional agenda

INDUSTRIALIZATION OF THE LEAST DEVELOPED COUNTRIES IN THE 1990s

Report by the Director-General

Summary

Updates previous reports on the implementation of General Conference resolutions GC.4/Res.9 and CG.4/Res.10 in accordance with Board decision IDB.11/Dec.13.

1. In its cooperation with the least developed countries (LDCs) in the 1990s, UNIDO is guided by the Paris Declaration and Programme of Action of the Second United Nations Conference on the Least Developed Countries as well as relevant mandates of the UNIDO policy-making organs, including General Conference resolution GC.4/Res.9 on policies for the industrialization of LDCs and resolution GC.4/Res.10 in which the Industrial Action Programme for the Least Developed Countries (PI/114) was adopted. More recently, in adopting resolution GC.5/Res.16, the General Conference at its fifth session recalled earlier decisions and resolutions on the subject and, in its operational paragraphs, directed specific appeals to the Member States, the international community and the Director-General.

2. The Board at its eleventh session (decision IDB.11/Dec.13) called for a number of actions including requests to the Director-General to pay particular attention to the subject in the reform exercise of UNIDO and to continue to accord highest priority to the least developed countries in the programme of the Organization, and to report on the implementation of Conference resolutions GC.4/Res.9 and GC.4/Res.10 to the fifth session of the General Conference and the twelfth session of the Board. Accordingly, a first report on the subject (GC.5/17), was presented by the Director-General to the General Conference at its fifth session. In providing information on the priority accorded to the LDCs programme within the framework of the overall revitalization of UNIDO, the present document updates information contained in document GC.5/17. Details on UNIDO technical assistance to LDCs in 1993 by country and source of funds are provided in the Annual Report of UNIDO 1993 (IDB.12/2, appendix F). 1/

3. In line with the concerns expressed in General Conference resolutions GC.4/Res.9 and GC.4/Res.10 and in Board decision IDB.11/Dec.13 on the issue of mobilization of financial resources for the industrial development of LDCs, the second ministerial Symposium on the Industrialization of the Least Developed Countries held at Yaoundé, Cameroon, from 3 to 10 December 1993, focused on the theme "Financing the Industrial Action Programme for the LDCs: A challenge for the 1990s". It was attended by 79 delegates at the ministerial level from LDCs. Participants included representatives from the host country and 42 representatives from financial institutions, non-governmental organizations and United Nations organizations. The delegates considered the major findings in the UNIDO working paper, Financing the Industrial Action Programme for the LDCs: A challenge for the 1990s (PPD.254(SPEC.)), to be in conformity with the experiences of the LDCs. With that understanding, the reorientation of the

1/ At the request of the first ministerial Symposium for the Industrialization of the Least Developed Countries (Vienna, November 1991), a review of UNIDO technical cooperation activities during the period 1991-1993 in favour of LDCs (PPD.253(SPEC.)) was prepared. Reference copies (English and French) will be available upon request at the documents distribution counter during the twelfth session of the Board.

V.94 21583 6986E

Distr.: 23 March 1994

activities and structure of the Organization streamlines UNIDO's mechanisms to respond to the demands of the LDCs in their industrialization efforts. The important conclusions and recommendations emerging from the Symposium, which are in line with the new UNIDO orientation, and which the General Conference decided to include in its resolution GC.5/Res.16 as an annex, are currently under review by relevant sections within the Secretariat. Their implementation will, however, need the active support of the Member States, the international community in general, and the perseverance of the LDCs themselves as partners. To meet the challenge, the responsibility lies not in one organization but in teamwork with other partners involved in the development process. As requested in resolution GC.5/Res.16, a progress report on the implementation of the conclusions and recommendations of the Symposium will be presented through the Board to the General Conference at its sixth session.

4. Within the framework of the overall revitalization of UNIDO and its prioritization and structural reform, the priority sectors included in the Industrial Action Programme for the Least Developed Countries are being addressed in a more focused manner. For example, the mobilization and development of human resources in the LDCs is a crucial factor in promoting sustained and increasingly self-reliant socio-economic development. Human resource development is of central concern in the industrial context and is an important precondition for, as well as a result of, industrialization. For UNIDO it relates not only to the educational and training system at the national, regional and enterprise levels, but it is also closely associated with building up capabilities for the development, transfer and absorption of technology and a whole range of strategic industrialization issues. Central to the discussion of human resource development for industry are the need to create and upgrade continuously the skills, motivation and know-how required by industry and the need to utilize fully the human capabilities essential to achieving dynamic industrial growth, since a high skill level is a key determinant for an economy's competitiveness. Similarly, equitable development through industrialization in an endeavour to alleviate poverty and create industrial opportunities for all segments of the population will be promoted. Industrial entrepreneurship development, increased participation of women in industry and creating industry-related employment in poverty-stricken regions through regional dispersal of industrial development and the promotion of small- and medium-scale industrial enterprises and rural industrial development will be among the tasks undertaken within this objective which reflects the broad aims of UNIDO and conforms with most of the priorities set in the medium-term plan. The new structure of UNIDO further calls for strengthened support in the development of small and medium enterprises by lending support to their modernization process in such areas as enhancing entrepreneurship, upgrading technology, improving productivity, promoting subcontractual relationships between enterprises and facilitating access to resources and markets. Direct advice will be provided on policies and strategies with a view to assisting Governments to create an enabling environment for industrial and private sector development and competitiveness. Likewise, significant attention will be given to mechanisms for the economic and technical cooperation among developing countries.

ACTION REQUIRED OF THE BOARD

5. The Board may wish to take note of the information contained in the present document.